

Program A: Injured Workers' Benefit Protection

Program Authorization: Sections 1310.1, 1310.3 b(1) and 1310.6 of the Workers' Compensation Act; LA R.S. 23:1291 B (9), (10), (11) and (12); LA R.S. 23:1291 B (4), (13), C (2) and (5); LA R.S. 23:1034.2, LA R.S. 23:1121-1123, LA R.S. 23:1208, LA R.S. 23:1208.1, LA R.S. 23:1208.2, LA R.S. 23:1295, LA R.S. 23:1168-1172.2, LA R.S. 39:1543

PROGRAM DESCRIPTION

The mission of the Injured Workers' Benefit Protection Program is to establish standards of payment as well as utilization and review procedures of injured worker claims; receive, process, hear and resolve legal actions on compliance to state statutes. It is also the mission of this program to educate and influence employers and employees to adopt comprehensive safety and health policies, practices and procedures; and collect fees.

The goals of the Injured Workers' Benefit Protection Program are:

1. Administer a financially sound program to meet current and future claim obligations.
2. Control medical costs.
3. Maximize the quality of care received by workers injured on the job.
4. Administer the resolution of workers' compensation disputes in an efficient, timely, and impartial manner.

The Injured Workers' Benefit Protection Program includes the following activities: mediation and adjudication of all workers' compensation disputes; collection of statistical data on compensable occupational injuries and illnesses; determination of minimum and maximum allowable levels of compensation; development and implementation of medical utilization review procedures; development, implementation and administration of loss prevention safety and health programs; assistance to Louisiana employers with programs pursuant to code of federal regulations (OSHA Consultation); and administration of the Louisiana Cost Containment Program.

OBJECTIVES AND PERFORMANCE INDICATORS

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables

1. (KEY) To resolve or adjudicate 40% of workers' compensation disputes (or lawsuits) in a fair and expeditious manner before they reach the pre-trial stage.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of dockets (caseload) ¹	8,974	8,765	9,154	9,154	8,800	8,800
S	Number of mediations held	5,102	5,014	5,204	5,204	5,125	5,125
K	Percentage of mediations resolved prior to pre-trial ²	35%	33%	35%	35%	40%	40%
K	Average days required to close 1008 disputed claims	297	266	180	180	180	180
K	Percentage of claims resolved within six months of filing	Not applicable ³	Not available ⁴	Not applicable ³	Not available ⁴	65%	65%

¹ The indicator "number of dockets" includes new 1008 claims and new 1011 settlements. The 1008 form is used by the Office of Workers' Compensation to initiate a disputed workers' compensation claim or lawsuit. Many of these claims are settled or are resolved completely without going to trial. In addition, the 1011 claim form is the Office of Workers' Compensation form filed to settle a workers' compensation claim not in litigation, which the workers compensation judge may or may not approve.

² This does not reflect the large number of partial resolutions, where some or most of the disputes in a claim are resolved through mediation. A full resolution is when all disputes within a claim are resolved and the claim is dismissed.

³ New indicator added for FY 2000-2001, therefore the indicator has no yearend standard for FY 1998-1999, or an Act 10 standard for FY 1999-2000.

⁴ Data regarding this indicator was not collected prior to its inclusion for budget submission. However, the agency is currently in the process of developing the baseline data.

2. (SUPPORTING) The Medical Services Section will resolve 100% of the medical disputes filed.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of medical disputes resolved	1,675	1,160	1,830	1,830	1,133	1,133 ¹

¹ The decrease in the number of disputes filed reflects a significant amount of insurance carriers or self-insured employers applying the cost-containment tools provided; i.e.; utilization review rules and the reimbursement schedules or employers negotiating with healthcare providers for provision of services under the allowable amount found in the reimbursement schedules.

3. (KEY) The Fraud Section will complete 85% of all investigations initiated.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of investigations initiated	2,100	4,295 ¹	2,900	2,900 ²	3,200	3,200
K	Percentage of initiated investigations completed	95%	67%	90%	90% ³	85%	85% ³

¹ For FY 1998-1999, the number of investigations initiated increase 104% over the projected standard, due in part we believe, to public awareness. The section also had two (2) of its nine (9) positions vacant.

² The actual number for the 1st and 2nd quarters of FY 1999-2000 is 1526.

³ The actual percentage of investigations completed for the 1st and 2nd quarter of 1999-2000 is 81.5%. In FY 1999-2000, the section had two (2) of its nine (9) positions vacant with a 5% increase in the number of investigations initiated.

4. (KEY) The Safety and Health Section will conduct 498 safety compliance inspections of targeted at risk employers.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of targeted at-risk employers ¹	400	695	162	162	600	600
K	Targeted at-risk employers inspected ²	400	224	162	162	498	498
K	Percentage of at-risk employers inspected ³	100%	40%	100%	100%	83%	83%
K	Number of targeted at-risk employers found to be non-compliant	Not applicable ⁴	Not available ⁵	Not applicable ⁴	97	298	298
K	Percentage of revisited employers needing safety assistance	Not applicable ⁴	Not available ⁵	Not applicable ⁴	60% ⁶	60% ⁶	60% ⁶
S	Percentage decrease in incidence rate ⁷	Not applicable ⁴	Not available ⁵	Not applicable ⁴	Not available ⁷	Not available ⁷	Not available ⁷
S	Number of revisits	Not applicable ⁸	Not available ⁹	97	97	298	298

¹ Target at risk employers are those that have incidence rates higher than their Standard Industrial Classification (SIC). This indicator was formerly reported as the "number of employers safety plans reviewed."

² This indicator was formerly reported as the "number of performance safety audits conducted and completed."

³ "This indicator was formerly reported as the "percentage of safety audits conducted."

⁴ New indicators added for FY 2000-2001, therefore the indicator has no yearend standard for FY 1998-1999, or an Act 10 standard for FY 1999-2000.

⁵ The information was not previously captured in the database.

⁶ Based on an estimate of experience from prior years without the information from our database.

⁷ The incidence rate refers to the to number of injuries, illnesses, or lost workdays related to a common exposure base of 100 full-time workers. The common exposures base enables one to make accurate inter-industry comparisons, trend analysis over time, or comparisons among firms regardless of size. Baseline information for this indicator will be calculated to compare to the last quarter of FY 1999-2000.

⁸ New indicator added for FY 1999-2000, therefore the indicator has no yearend standard for FY 1998-1999.

⁹ Prior year actual is not available for this indicator.

5. (KEY) The Occupational Safety and Health Administration (OSHA) section will respond to 90% of requests received from high hazard private employers having fewer than 500 employees, and identify serious hazards and imminent dangers at 100% of the facilities requesting customized program assistance and training within 50 days of the request.

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
S	Number of requests received	573	125	106	106	132	132
K	Total number of visits	573	202	500	687	625	625
K	Total visits closed	573	204	500	687	625	625
K	Average number of days between requests and visits to high hazard employers with employment between 1-500	95	58.59	93	93	50	50
K	Average number of days from visit close to case closure	60	43.46	60	60	50	50
K	Percentage of high hazards initial visit requests received	90%	91%	90%	90%	90%	90%
S	Number of consultation inquiries ¹	Not applicable ¹	Not available ²	500	500	500	500
K	Percentage of facilities requesting customized program consultation assistance, training, and onsite services	Not applicable ³	Not available ²	Not applicable ¹	100%	100%	100%

¹ The indicator was previously reported as the "number of requests for safety and health program assistance." The indicator first appeared in the Executive Budget in FY 1999-2000, therefore it has no yearend standard for FY 1998-1999.

² Prior year data is not available for this indicator.

³ New indicator added for FY 2000-2001, therefore the indicator has no yearend standard for FY 1998-1999, or an Act 10 standard for FY 1999-2000.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	0	0	0	0
Statutory Dedications	8,250,895	10,204,418	10,219,914	10,791,256	9,742,416	(477,498)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	286,680	382,650	551,001	551,699	542,327	(8,674)
TOTAL MEANS OF FINANCING	\$8,537,575	\$10,587,068	\$10,770,915	\$11,342,955	\$10,284,743	(\$486,172)
EXPENDITURES & REQUEST:						
Salaries	\$4,618,566	\$5,137,743	\$5,184,248	\$5,797,184	\$5,682,170	\$497,922
Other Compensation	256,695	258,360	258,360	258,360	258,360	0
Related Benefits	903,362	955,395	965,933	1,079,912	1,031,468	65,535
Total Operating Expenses	1,720,788	2,766,439	2,839,765	2,861,202	1,961,235	(878,530)
Professional Services	535,873	865,000	865,000	865,000	700,000	(165,000)
Total Other Charges	460,499	439,781	439,781	439,505	433,682	(6,099)
Total Acq. & Major Repairs	41,792	164,350	217,828	41,792	217,828	0
TOTAL EXPENDITURES AND REQUEST	\$8,537,575	\$10,587,068	\$10,770,915	\$11,342,955	\$10,284,743	(\$486,172)
AUTHORIZED FULL-TIME EQUIVALENTS: Classified	164	164	165	165	165	0
Unclassified	1	1	1	1	1	0
TOTAL	165	165	166	166	166	0

SOURCE OF FUNDING

This program is funded with Statutory Dedications and Federal Funds. The Statutory Dedications are derived from the Worker Compensation Fund. (Per R.S. 39:32B. (8), see table below for a listing of expenditures out of each statutory dedicated fund). The Worker Compensation Fund receives revenues from an assessment on all insurance companies and self-insurer's writing worker's compensation insurance in Louisiana. Such assessments are a percentage of the amount reported in the annual reports. The Federal Funds are derived from an Occupational Safety Health Administration (OSHA) statistical grant. This grant requires a 10% match from the Worker's Compensation Fund.

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
Office of Worker's Compensation Administration Fund	\$8,250,895	\$10,204,418	\$10,219,914	\$10,791,256	\$9,742,416	(\$477,498)

ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$10,587,068	165	ACT 10 FISCAL YEAR 1999-2000
			BA-7 TRANSACTIONS:
\$0	\$183,847	1	BA-7 approved October 29, 1999 for the Occupational Safety and Health Administration including one (1) position. This BA-7 will allow the OSHA Consultation Section to be in compliance with a cooperative agreement between the USDOL and LDOL to provide resources to implement the approved grant agreement between the two parties.
\$0	\$10,770,915	166	EXISTING OPERATING BUDGET – December 3, 1999
\$0	\$344,164	0	Annualization of FY 1999-2000 Classified State Employees Merit Increase
\$0	\$344,164	0	Classified State Employees Merit Increases for FY 2000-2001
\$0	(\$31,159)	0	Risk Management Adjustment
\$0	\$217,828	0	Acquisitions & Major Repairs
\$0	(\$217,828)	0	Non-Recurring Acquisitions & Major Repairs
\$0	(\$276)	0	Rent in State-Owned Buildings
\$0	(\$129,161)	0	Attrition Adjustment
\$0	(\$451,417)	0	Salary Funding from Other Line Items
\$0	(\$1,533)	0	Civil Service Fees
\$0	(\$560,954)	0	Other Adjustments - Reduction in travel and professional services based on historical spending patterns of this program
\$0	\$10,284,743	166	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$0	\$10,284,743	166	BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL

			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$0	\$10,284,743	166	GRAND TOTAL RECOMMENDED

The total means of financing for this program is recommended at 95.4% of the existing operating budget. It represents 89.3% of the total request (\$11,505,387) for this program. The 4.6% decrease is due to reductions in travel and professional services based on historical spending patterns of this program. This program does not have any positions that have been vacant for one (1) year or more.

PROFESSIONAL SERVICES

\$50,000	Legal Medical-Review of claims for health care rates to insure accuracy and appropriateness
\$285,000	Court Reporters to work with administrative law judges to provide on-site technical assistance in establishing rehabilitation review and monitoring system
\$347,000	Bailiffs (off duty sheriff deputies to maintain security in courtroom for Administrative Law Judges in Alexandria, Baton Rouge, Franklinton, Houma, Harvey, Lafayette, Lake Charles, Monroe, New Orleans, and Shreveport districts)
\$10,000	This provides assistance to citizens throughout Louisiana on information which may lead to an arrest and indictment; to receive information relating to workers' comp fraud from anonymous citizens/callers; and to provide cash rewards for information relating to Office of Workers' Compensation Fraud.
\$8,000	This provides for the Occupational Safety Health Administration to install Microsoft Office that includes Word, Access and Excel that interfaces together. This also establishes a standard conversion method for importing National Council of Compensation Insurance data into Microsoft Access.
\$700,000	TOTAL PROFESSIONAL SERVICES

OTHER CHARGES

\$38,103	Legislative Auditor
\$38,103	SUB-TOTAL OTHER CHARGES
	Interagency Transfers:
\$234,790	Department of Justice-Legal Services
\$16,803	Department of Civil Service-Document Processing Fee

\$11,905	Division of Administration-Comprehensive Public Training Program (CPTP)
\$84,008	Office of Employment Security-Fraud investigation of Worker's Compensation Claims
\$48,073	Rent in State-owned Buildings

\$395,579 SUB-TOTAL INTERAGENCY TRANSFERS

\$433,682 TOTAL OTHER CHARGES

ACQUISITIONS AND MAJOR REPAIRS

\$100,000	CPU upgrade - This will be done for all network and all batch jobs processed.
\$87,806	DASD upgrade - This equipment will be used for temporary storage of enterprise server data.
\$30,022	Software - System and development software will be used by IT staff to maintain systems and development for all LDOL users. Application software will be used by all users on the network.

\$217,828 TOTAL ACQUISITIONS AND MAJOR REPAIRS